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"KennedyCare" on the Ropes

CBO Re-Estimate Has Democrats Backpedaling

Based on "more recent information on the health care system," the Congressional Budget Office (CBO) this week reevaluated the impact that Senator Kennedy's "Patients' Bill of Rights" (S. 6, as introduced) would have on health care consumers. The CBO estimates that S. 6 would:

- *Increase health premiums by 6.1 percent. According to data from the Employee Benefits Research Institute, this would mean an annual increase of \$133 for individuals with group coverage and \$328 for families with group coverage.*
- *Impose \$72.7 billion in private-sector mandates over five years.*
- *Cancel the health coverage of 1.2 million Americans.*

This is over and above an anticipated 7-percent increase in health insurance costs next year, according to Hewitt Associates, a human resources consulting firm.

Unsettled by this indictment of their top legislative priority, Democrats quickly began to backpedal. In a letter to HELP Committee Chairman Jeffords, CBO Director Dan Crippen told of Democrats' desire to scale back their bill to make it less costly:

"The sponsors have indicated their intention to clarify the bill in ways that could reduce the premium increase to 4.8 percent."

Yet as it stands, S. 6 would devastate over 1 million Americans.

In contrast, while the CBO estimated the Republican "Patients' Bill of Rights — Plus" would increase premiums by less than 1 percent, this increase would be offset by steps to make health coverage more affordable, such as expanded medical savings accounts, flexible spending accounts, and health insurance deductibility for the self-employed.

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